

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF ROBERT AND	)	APPEAL NO. 06-A-2545
KAREN CARPENTER from the decision of the Board of	)	FINAL DECISION
Equalization of Kootenai County for tax year 2006.	)	AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing December 15, 2006, in Coeur d'Alene, Idaho, before Board Member Vernon L. Driver. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellants Robert and Karen Carpenter appeared for themselves. Residential Appraisal Manager Darin Krier and Residential Appraiser John Wilhelm appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. P76060020020.

**The issue on appeal is the market value of a residential property.**

**The decision of the Kootenai County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$128,250, and the improvements' valuation is \$222,699, totaling \$350,949. Appellants request the land value be reduced to \$37,278, and the improvements' value be reduced to \$122,000, totaling \$159,278.

The subject property is a 2,073 square foot ranch-style residence built in 2003 with a 416 square foot bonus room above a 832 square foot three-car garage and is classed "average". The lot is .211 acres and located in Riverside Harbor 3<sup>rd</sup> Addition in Post Falls, Idaho.

Appellants questioned the rather large increase in subject's value from the prior year. Appellants mentioned the real estate market was slowing down and presented several properties in the area that had either been on the market for some time or had sold after the asking prices were reduced. It was generally stated that the entire area was over-valued.

Respondent first referenced the Assessor's duty under Idaho Code and explained that property was required to be appraised every five years and "indexed" during the intervening years.

Using the properties submitted by Appellants, Respondent showed they were all assessed within the acceptable value range as prescribed by law (i.e. between 90% - 110% of purchase price). Even though they were all similar in size, it was argued that because some of the properties involved two-story homes, they were of questionable comparability.

Respondent next mentioned that Appellants purchased subject in May 2005 for \$345,000. Since then, the market in subject's area had seen some level of appreciation. After applying a time adjustment, subject's 2006 assessment was \$350,949.

Respondent then explained that subject's entire area was re-appraised for the 2004 tax year to determine base values for the properties. To maintain market values each year, positive trends were calculated using sales data. The trending value was then applied uniformly to the 2005 assessed values of all properties in subject's area to arrive at the 2006 assessments. Respondent presented four 2005 sales in subject's immediate area. They all involved single-level residences, were similar in size to subject, and sold between \$320,000 and \$382,000.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

For the purpose of taxation, Idaho requires that all property be valued at market value as defined in Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellants’ primary point of contention was subject’s dramatic value increase over the prior couple years. Idaho Code § 63-205(1) requires real property be assessed at current market value each year, however the Code does not limit the amount of possible increase or decrease in assessed value per year.

Respondent thoroughly detailed the indexing methodology used to assess properties in subject’s area. The evidence illustrated compliance with Idaho’s market value standard and required valuation program.

The Assessor’s valuation of property for the purposes of taxation is presumed correct. The Senator, Inc. v. Ada County Board of Equalization, 138 Idaho 566, 569, 67 P.3d 45, 48 (2003). The court will grant relief where the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous resulting in discrimination against the taxpayer. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979).

No error in the assessed value of subject has been demonstrated by Appellant. While subject’s value increased significantly from 2005, the increase was supported by recent sales of proximate and similar properties to subject. No error in the methodology used to determine subject’s value was established, nor does the record indicate the assessment was arbitrary or capricious. Therefore, the Board will affirm the decision of the Board of Equalization of Kootenai County.

## FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 27th day of April 2007.